

June 30, 2000

## **New Gore Energy Plan Is Nothing More Than a Repackaged (Failed) Clinton/Gore Energy Policy**

***Clinton/Gore Failed Energy Policies Are Responsible for High Gasoline Prices and Anticipated High Home Heating Oil and Natural Gas Prices***

Vice President Al Gore claims that his newly unveiled "Energy Policy" will reduce dependence on imported oil and protect the environment. The truth is that it will not affect the price of gasoline. It will not bring down the cost of crude oil, which is what is driving high gasoline prices. And, his proposal will not avoid high heating oil and natural gas prices anticipated for this coming winter.

The Vice President's proposal is really just a rehash of the President's Climate Change Technology Initiative (proposed in 1998 to implement the Kyoto Protocol) — with a much higher price tag. The Gore plan for a "national energy security and environmental trust fund" will take from the budget surplus more than \$140 billion, possibly more (the estimates change from day to day) in an effort to find ways to reduce consumption of conventional energy like coal, oil, and natural gas. The idea would be to use instead renewable energy like wind, solar, and biomass. This, the Vice President claims, will help us reduce our nearly 60-percent dependence on imported crude oil.

### **Alternative Energy Sources: They're Just Not Enough For Now**

On June 27, 2000, Senator Murkowski, chairman of the Senate Energy and Natural Resources Committee, in a speech on the Senate floor described the futility of such a policy: "We have spent \$1.5 billion for renewable research over the last 20 years and \$17 billion in the same period in direct spending and direct incentives for renewables. My point is not to belittle renewables or their important role, but the reality is there is simply not enough." Senator Murkowski notes renewable energy sources currently provide less than 4 percent — excluding hydro — of our energy needs.

The Clinton/Gore Administration repeatedly has attacked the use of conventional energy forms. In 1993 the Administration proposed a huge tax on the use of coal, oil, and natural gas (the BTU Tax) to force Americans to use less of these commodities. The cost of the tax to the economy would have been staggering and would have resulted in hundreds of thousands of lost jobs. But the Senate defeated the Clinton/Gore BTU tax and the Administration had to settle for a 4.3-cent-per-gallon tax on gasoline. (Even then, the Senate deadlocked on a 50-50 vote: the tie

was broken by Vice President Gore to impose the tax.) The Vice President has never seen an energy tax he didn't like.

### **Al Gore's "Prescription" – Raise the Tax on Gasoline**

The BTU tax attempt and the subsequent 4.3-cent-per-gallon gas tax hike were not the first time Gore was on the record for supporting radically higher energy taxes:

*"The United States could start by gradually imposing a higher gasoline tax — hiking it by one or two cents per month, until gasoline costs \$2.50 to \$3.00 per gallon, comparable to prices in Europe and Japan."*

[From *The Population Explosion*, 1990, by Paul and Anne Ehrlich — pp. 219-220.]

*"The time for action is due, and past due. Ehrlich has written the prescription."*

[Al Gore's endorsement of *The Population Explosion*, printed on the dust cover.]

### **Al Gore's "Prescription": Use Your Taxes to Subsidize Renewables**

Next, the Clinton/Gore Administration embraced the Kyoto Protocol to the 1990 Framework Convention on Climate Change. Vice President Gore helped craft the Protocol in Kyoto in 1997. The Protocol requires developed nations (the United States and Europe) to reduce their emissions of carbon dioxide (claimed by some to cause global climate change): The United States must reduce its emissions by 7 percent by 2010. The only way such a reduction can occur is if the United States drastically reduces its consumption of fossil fuels. There are no readily available, inexpensive substitutes for coal, oil, and natural gas, and so costly renewable sources would have to be developed and used. This would have a tremendous impact on the U.S. economy — by some estimates a loss of \$100 million to \$400 million in Gross Domestic Product each year and millions of jobs.

Now faced with the Senate's firm opposition to implementation of the Kyoto Protocol and the rising cost of energy, especially gasoline, Vice President Gore has repackaged these failed policies and proposes to spend at least \$140 billion in taxpayer dollars to help Americans use less — but more expensive — energy. What does this amount to? The Vice President's proposals simply continue the Clinton/Gore Administration's "asleep-at-the-switch energy policies."

### **Gore and His Boss Never *Had* an Energy Policy**

The Clinton/Gore Administration's failure to ever — in seven years — develop a genuine national energy strategy is to blame for the following:

— U.S. crude oil production is down 17 percent since 1992.

— U.S. crude oil consumption is up 14 percent.

— The United States relies on foreign sources for 56 percent of its crude oil needs, as opposed to 35 percent in 1973 when the Middle East oil producers stopped selling us oil. If current policies are continued, the Energy Information Administration estimates we will be 65-percent dependent by 2020, and some experts think it will be higher.

The Clinton/Gore Administration has failed to do a single thing to help develop more of our nation's crude oil reserves and other energy resources, which would help put downward pressure on world oil prices. Rather, it is pursuing policies that are counter to a rational national energy plan.

— Interior Secretary Bruce Babbitt is talking about taking down valuable **hydroelectric dams** in the Pacific Northwest — the Administration does not consider hydro power a renewable resource. Electricity from hydro meets about 10-12 percent of U.S. needs.

— Environmental Protection Agency Administrator Carol Browner is trying to shut down **coal-fired electric generating plants** in the Midwest — a region which depends on those plants for 88 percent of its electricity. The nation as a whole depends on coal for 55 percent of its electricity needs.

— While the Clinton/Gore Administration tries to kill off the **coal industry**, it is doing nothing to increase the availability of domestic natural gas — the alternative to coal for electricity plants. To replace coal, the United States would have to increase its use of natural gas by about 10 trillion cubic feet per year. No incentives for increased production have been offered by the Administration. For example, federal land in the Rocky Mountain West could contain as much as 137 trillion cubic feet of natural gas but the Administration refuses to allow any oil and gas exploration on those lands.

— The Clinton/Gore Administration has refused to even consider allowing exploration in the **Alaska National Wildlife Refuge (ANWR)**, which could contain 16 billion barrels of domestic crude oil that easily could move to refineries in the lower 48 states through the Alaska pipeline. President Clinton vetoed 1995 legislation to allow exploration in ANWR. Production from ANWR could be as high as 1.5 million barrels per day — which would make a big dent in our import dependency.

— Vice President Gore has vowed to prohibit any future exploration for oil and natural gas in many areas of the federal **outer-continental shelf (OCS)** when there are clearly areas not now available for leasing that have great potential for new domestic sources of these valuable commodities. The President recently closed most of the federal OCS to any exploration until after 2012.

## **Higher Prices to Come**

The Northeast was the first part of the country to be hit by large heating oil and diesel fuel price hikes this past winter. The rest of the nation now faces the likelihood of markedly higher transportation fuel prices and increases in the cost of goods and services. Here's why:

- The United States is spending \$300 million each day on imported crude oil – \$100 billion each year – about 1 percent of our Gross Domestic Product of \$9.25 trillion.
- The world oil price on March 7, 2000 was the highest in nearly a decade when it reached \$34.12 per barrel. It hasn't been higher since November 1990. According to DOE, gasoline prices could reach \$2.00 per gallon or higher. Gas prices already are higher in the upper Midwest due to an unfortunate combination of factors including sustained pipeline outages and the more expensive reformulated gasolines required for the area by the Environmental Protection Agency.
- More than 18 million barrels per day of home heating oil, motor gasoline, diesel fuel, other transportation fuels and various products are supplied in the United States. Less than 3 percent of the distillates are used to generate electricity. More solar homes and more wind energy will not displace a single barrel of imported oil.

## **A Pattern We Can't Afford to Follow**

Clearly, there is a pattern. It started in 1993 when the Clinton/Gore Administration proposed a \$73 billion five-year energy BTU tax to force down U.S. use of fossil fuels. It continues with misguided federal land use policies, "environmental" policies designed not necessarily to protect the environment but to kill fossil fuel use, continues with Administration support for the punitive Kyoto Protocol, and reappears in Vice President Gore's so-called energy proposals.

His proposals are typical "command and control" policies favored by Democrats and the environmental community. They are the tired policies advocated by Jimmy Carter, Mike Dukakis, Bill Clinton and now, Al Gore.

Written by John Peschke, 224-2946